



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO.1480

DATE: February 24, 2015

TO: Iowa Medicaid Nursing Facilities

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Cost Reporting Requirements

EFFECTIVE: Immediately

This Informational Letter is intended as a reminder regarding requirements for submission of the Medicaid Cost Report, [Form 470-0003 Financial and Statistical Report](#)¹.

Delinquent Cost Reports

Iowa Administrative Code 441—81.6(3) requires that all participating nursing facilities file the cost report annually by the last day of the fifth calendar month after the close of the provider's reporting year. If the complete cost report is not received by the due date, the provider's payment is reduced to 75 percent of the current rate beginning the first day of the sixth month following the provider's fiscal year end. If the cost report is not received within three months, no further payments will be made to the provider. Any such rate reduction remains in effect until the first day of the month after the delinquent/complete cost report is received.

A cost report is not considered complete unless it contains:

- A complete Form 470-0030 which has been submitted electronically.
- The original signed and dated certification statement (postmarked by the due date) mailed to the Provider Cost Audit and Rate Setting Unit at the following address: Provider Correspondence, P. O. Box 36450, Des Moines, Iowa 50315.
- For Medicare certified facilities, a copy of the Medicare cost report which covers the most recently completed historical reporting period as submitted to the Medicare fiscal intermediary.
- A working trial balance that corresponds to all financial data contained on the cost report.
- If the facility's financial statements have been compiled, reviewed, or audited by an outside firm, a copy of the compilation, review, or audit, including notes, for the reporting period.

Because the department receives a large volume of cost reports at the same time, we encourage providers to submit their cost reports early to ensure ample time for the department to check for completeness prior to the due date. Submitting cost reports early assists facilities in avoiding penalties for late cost reports.

¹ http://dhs.iowa.gov/sites/default/files/NursingFacility_V597version.xls

Continued Inclusion of Unallowable Costs

When a nursing facility continues to include in the total costs, items which had been removed through an adjustment in a prior period cost report, the cost will be removed and payment may be reduced to 75 percent of the current rate for the entire quarter beginning the first day of the fourth month after the facility's fiscal year end.

If the adjustment made in a prior period is still in the appeals process, the provider may include the cost, but must inform the department with sufficient detail so that the IME Provider Cost Audit and Rate Setting Unit can determine if a similar adjustment is needed in the current period.

If you have any questions, please contact the IME Provider Cost Audit and Rate Setting Unit at 1-866-863-8610, locally in Des Moines at 515-256-4610 or via email at costaudit@dhs.state.ia.us.